

DRAMORE LIMITED
FINANCIAL STATEMENTS
30 APRIL 1997

Company Registration Number 0745148

GARNERS
Chartered Accountants & Registered Auditors
Bermuda House
45 High Street, Hampton Wick
Kingston upon Thames
Surrey KT1 4EH



DRAMORE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 1997

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DRAMORE LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 30 APRIL 1997

The directors present their report and the financial statements of the company for the year ended 30 April 1997.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year continued to be that of building and residential property development.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE PARENT COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the parent company were as follows:

	Ordinary shares in the parent company	
	At 30 Apr 97	At 1 May 96
P.G. Davies	44	44
Mrs. D. Davies	<u>10</u>	<u>10</u>

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 6, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution to re-appoint Garners as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

DRAMORE LIMITED


THE DIRECTORS' REPORT (continued)

YEAR ENDED 30 APRIL 1997

SMALL COMPANY EXEMPTIONS

In preparing their report, the directors have taken advantage of the special exemptions from disclosure conferred by Part II of Schedule 8 to the Companies Act 1985 on the basis that, in their opinion, the company qualifies as a small company.

Signed on behalf of the directors



P.G. Davies
Company secretary

Approved by the directors on9.1.19⁹⁸.....

DRAMORE LIMITED
AUDITORS' REPORT TO THE SHAREHOLDERS
YEAR ENDED 30 APRIL 1997

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 1, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the company's state of affairs as at 30 April 1997 and of its loss for the year then ended, and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Bermuda House
45 High Street, Hampton Wick
Kingston upon Thames
Surrey KT1 4EH

9th Jan 1998


GARNERS
Chartered Accountants
& Registered Auditors

DRAMORE LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 APRIL 1997

	Note	1997 £	1996 £
TURNOVER:	2	26,808	89,100
Cost of sales		<u>(34,202)</u>	<u>(103,103)</u>
GROSS LOSS		<u>(7,394)</u>	<u>(14,003)</u>
Administrative expenses		(1,123)	(6,178)
Other operating income		<u>-</u>	<u>4,405</u>
OPERATING LOSS	3	<u>(8,517)</u>	<u>(15,776)</u>
Interest payable and similar charges		<u>(3,467)</u>	<u>(6,250)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(11,984)</u>	<u>(22,026)</u>
Tax on loss on ordinary activities	4	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(11,984)</u>	<u>(22,026)</u>
Balance brought forward		<u>445</u>	<u>22,471</u>
BALANCE CARRIED FORWARD		<u>(11,539)</u>	<u>445</u>

The company has no recognised gains or losses other than the results for the year as set out above.

DRAMORE LIMITED

BALANCE SHEET

30 APRIL 1997

	Note	1997 £	1996 £
CURRENT ASSETS			
Stocks	5	7,500	39,500
Debtors	6	50,122	56,425
Cash at bank and in hand		-	5
		<u>57,622</u>	<u>95,930</u>
CREDITORS: Amounts falling due within one year	7	<u>(24,839)</u>	<u>(51,163)</u>
NET CURRENT ASSETS		32,783	44,767
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>32,783</u>	<u>44,767</u>
CAPITAL AND RESERVES			
Equity share capital	9	10,000	10,000
Revaluation reserve		2,293	2,293
Other reserves		32,029	32,029
Profit and loss account		<u>(11,539)</u>	<u>445</u>
SHAREHOLDERS' FUNDS	10	<u>32,783</u>	<u>44,767</u>

In preparing these accounts, the directors have taken advantage of the special accounting exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the basis that, in their opinion, the company qualifies as a small company.

These financial statements were approved by the directors on the 9 January 1998 and are signed on their behalf by:


P.G. DAVIES

DRAMORE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 APRIL 1997****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

Turnover represents residential development.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Stocks

Stock of raw materials, work in progress, land and buildings have been valued at the lower of cost or net realisable value.

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company.

3. OPERATING LOSS

Operating loss is stated after charging/(crediting):

	1997 £	1996 £
Directors' emoluments	-	-
Profit on disposal of fixed assets	-	(4,405)
Auditors' fees	500	500
	<u> </u>	<u> </u>

4. TAXATION ON LOSS ON ORDINARY ACTIVITIES

	1997 £	1996 £
Corporation tax based on the results for the year at 24% (1996 - 25%)	<u> </u>	<u> </u>

DRAMORE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 1997

5. STOCKS

	1997 £	1996 £
Land for re-development	7,500	18,500
Trade-in property	-	21,000
	<u>7,500</u>	<u>39,500</u>

6. DEBTORS

	1997 £	1996 £
Trade debtors	-	106
Amounts owed by group undertakings	50,069	50,069
VAT recoverable	53	-
Other debtors	-	6,250
	<u>50,122</u>	<u>56,425</u>

7. CREDITORS: Amounts falling due within one year

	1997 £	1996 £
Bank loans and overdrafts	20,187	47,510
Trade creditors	1,000	1,628
Other creditors including:		
Directors current accounts	2,850	250
Accruals and deferred income	802	1,775
	<u>24,839</u>	<u>51,163</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	1997 £	1996 £
Bank loans and overdrafts	<u>20,187</u>	<u>47,510</u>

DRAMORE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 1997

8. CONTINGENCIES

Dramore Limited has guaranteed the bank borrowings of its holding company, Dramore Projects Limited. At 30th April 1997 there was a potential liability of £nil (1996 - £nil) under this guarantee.

9. SHARE CAPITAL**Authorised share capital:**

	1997 £	1996 £
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	1997 £	1996 £
Ordinary share capital	<u>10,000</u>	<u>10,000</u>

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Loss for the financial year	(11,984)	(22,026)
Opening shareholders' equity funds	<u>44,767</u>	<u>66,793</u>
Closing shareholders' equity funds	<u>32,783</u>	<u>44,767</u>

11. ULTIMATE PARENT COMPANY

Dramore Limited is a wholly-owned subsidiary of Dramore Projects Limited; Dramore Projects Limited is a wholly-owned subsidiary of Dramore Investments Limited, the ultimate holding company. All the companies are incorporated in Great Britain and registered in England and Wales.